187.

(Municipal)

File No. 86. 152

Income of the Municipalities for farming the Octroi.

Indexed.

To the Supreme Court

5. D. 70 W. D. S. 70

Standing for a hearing
on Friday June
[illegible] by Sol. Gen.
The details of the
[illegible] with the
object should be
left for settlement
between the Dy. Supt
and Pres. C. P. R.
subject to the Supt's
approval, and it
must be brought
into operation from
the 1st October next
under penalty of
[illegible]
to the Secretary
[illegible]

Dominion Lands
Surveyor General's Branch
Ottawa 5th June 1870

Sir,

I have the honor to
transmit herewith
the Commissioner's
letter under the
proposed arrange-
ment for steam-
ing by the Actor
with Parley keep
the costs of the
proposed arrange-
ments

No 5380

Copy of Mr Saunders's letter of the 25th June 1800 and Mr Saunders's Memorandum with Tabular Statements.

Mr Saunders's Letter of the 25th June 1800 and Memorandum with Tabular Statements.

Make copy of Letter No 2 for the Officers

[illegible]

2. [illegible]

3. [illegible]

No. 290.

To,

The Superintendent of the
Nundidroog Division
Bangalore

Dated Bangalore 25th June 1870.

Sir,

In acknowledging the receipt of your letter No. 676/32 of 16th ultimo, we have the honor to inform you that on the 8th instant, the subject matter of it was considered by us and on the 10th the letter and correspondence received with it were all laid before the Cantonment Municipal Board.

2. The accompanying Statements show that on the Octoi being farmed at its estimated value viz. Rupees 100,000 per annum the income of the Boards will give a large surplus over the expenditure even after bearing the cost of the liberally paid extra establishment that is proposed in connection with the change.

3. The estimated amount the Octoi is expected to realize is not based on mere conjecture but on the fact that on the idea of farming the rates being first mooted a large tobacco importer, acquainted with the working of the Establishment and who was one of the persons who complained of the smuggling now prevalent voluntarily offered to take the Izara at Rupees 80,000 per annum, and on the judgement of others well qualified to form an opinion on that, when formed for three years it will realize a Lakh or more per annum. The collections with the present inadequate Establishment & imperfect Supervision reaches the sum of Rupees 47,908-1-1, while it is well acknowledged fact

that smuggling prevails to an extent highly injuri-
-ous to the known large importers who bond their to-
-bacco and pay the duty upon it, their frequents
complaints of the loss they suffer (by being under-
-sold in the Market through Smuggling) have
already been before the Chief Commissioner so often
that doubt on the subject can scarcely exist.

4. Apart from the better administration of Octroi
duties, the incomes of the Boards admit of very wide
expansion without sensible or unjust pressure on the
Community; In point of fact the inhabitants
of Bangalore can scarcely be considered to be taxed
at all, the only Municipal rate levied in the Can-
-tonment is the house tax which falls solely on
owners of houses, their tenants and the numerous
classes of whose use our roads are made and kept
up, who are attracted by the lucrative mart
afforded by this large town which latter is daily
expanding by the improvements carried out, con-
-tribute absolutely nothing to the Municipalities
working so persistently for their benefit; The
livery stable keepers who cut up our roads, the
auctioneers who profit so largely by the wide field
of business, the rich Merchants, numerous & prosperous
shopkeepers, with all of whose interests the progress
of Municipal development is so closely identified
are positively not reached in the remotest degree,
tho' in all other Municipalities these classes are
deservedly ranked among the largest justly taxed
community of a town. No attempt has yet been
made at Municipal development and Municipal
taxation is a "tabular rasa" on which hereafter may
be inscribed (as powers are given to levy rates) resources
the extent of which offer the fairest promise of

financial

financial prosperity – Progress would of course proceed gradually and only in proportion to requirements, care being taken to avoid unsettling the minds of the people by a too wholesale or sudden levy of imports.

5. In the first place it is proposed to levy a small license tax on the classes adverted to in the preceding para. Reasonable objection can scarce be taken to such an import. It exists in every town worthy of the name. The rates in the shedule under this head of the Madras act are obviously too high for the present, but those in Bill No. 1 of 1870 are put forward as applicable to all Mofussil towns, few if any of which, I need scarcely say can in respect of size and importance bear comparison with Bangalore: The soundness of this mode of taxation is evinced by the fact that it reaches classes who directly benefit by the prosperity of the place and in due proportion to the advantages derived from residence therein, their interests in respect of Market accommodation, conservancy, lighting &c. being studied by the quasi Government Establishment to which they now yield nothing. It is difficult to form an Estimate of the yield likely to accrue from reaching these classes, but it will be very large, and in point of facility and economy of collection and absence of elements of oppression, the impost commends itself to very favorable consideration.

6. Should the sum thus realized prove insufficient a wheel and animal tax could fairly be levied, this import bears direct relation to the maintenance of roads. It will affect only –

In Madras up country station wheel & animal taxes are levied even on Gorkhas, but here the Madras Govt. give Rs 6000

the classes whose means are adequate to the burden, and is a tax on and in proportion to luxuries enjoyed and the collection would be easy and free from opportunities of extortion, exemption could of course be made in favor of Military and Officers who by the conditions of their employment are compelled to keep chargers or horses, such as Military mounted Officers Police Inspectors.

a year for the Cantonments under the Exec: Engr: of Bangalore Cantonment. Extracted by W.

7. Another rate of very general application in most Municipalities is that to cover the cost incurred for "lighting" this too is unknown in Bangalore, tho' a large outlay is incurred both in the Cantonment and Pettah for street lamps, and in the former alone no less than 50 additional iron lamp posts were purchased last year and 25 the year before. It will be seen that in the Cantonment alone, no less than Rupees 5,414 is spent in lighting street lamps, for the maintenance of which the inhabitants under the present system contribute nothing.

8. A water rate also has not been establishment but this may be deferred until the completion of the scheme now under consideration for supply of the town. It will involve a large outlay from Municipal funds, for which the Board may fairly expect a corresponding return.

9. The rent of Market stalls are also imperfectly developed, the sales at the Butcher's stalls in the Markets belonging to the Board average at the lowest Rupees 15 per diem or Rupees 450 per Month; for which the absurdly low rent of only one Rupee per diem is levied, nothing being charged for the heavy outlay on their conservancy, no fee too is

levied

levied on the cattle brought in for slaughter
The Market collections are steadily on the increase
but it may be reasonably expected that on the
construction of two or more additional Mark=
=ets to which sales of meat ~~are~~ (in view to its
proper supervision) could be restricted, the re=
=ceipts under this head would largely increase.
10. As regards Octori it is proposed to hand
over to the Boards the collections on only three
articles viz:

Tobacco
Betelnut (Soopari)
Betelleaves (Pawn)

but Octori is levied on other articles also con=
=sumed in the Towns, for the benefit of Govern=
=ment; as such articles belong to the trade of
the place and are levied on the same princi=
=ples it would perhaps be feasible that the
Boards should get the benefit of those col=
=lections also.

11. There is also a considerable revenue cre=
=dited to the Government under the head of
Abkaree which accrues from the trade of the
Towns. The still head duty of spirits going out
of the Government distillery for district use
is fixed at Rupees 1-4-0 per gallon while that
which passes out for consumption in the Can=
=tonment and Pettah of Bangalore pays an
additional Rupees 1-8-0 total Rupees 2-12-0 per
gallon; as, under the clauses contemplated, the
Municipality are to pay a quota of the cost of
their Police it may we trust be conceded that
they will have a claim to the "additional"
still head duty which is levied on the spirits

in

the in respect of its consumption in the Town, viz
a Rupees 1-8-0 per gallon.
12. A large income may also be reasonably expected
of from the Assessment of land covered by build-
ings: The Chief Commissioner has already
been sanctioned that the Condoyem of the lands
within the new Municipal limits shall be
made over to the Board, and has expressed
his opinion that Assessment should be
levied by the Boards on all lands (not occupied by
Government) now unassessed, the justice of this
is obvious, for, which latter they have obtained leg-
ally, pay Condoyem on their land as well as the
rate on their houses, it is clearly anomalous and
unsatisfactory that their neighbours who for the
most part have acquired their land in an un-
authorized manner should (benefiting by
their own wrong) be exempt from the usual
Assessment for the lands they occupy. As soon
as the Mysore Survey and Settlement Department
have done their work in the Municipal limits
and this matter can be taken in hand a consider-
able income will thereby accrue to the Boards
and from a most legitimate source.
13. We would also beg to remark on the anticipated
operation of a measure which as we believe already
received the approval of the Chief Commissioner
viz the assimilation of taxation in the Pettah to
that obtaining in the Cantonment.
14. At present the only income made over to the
Pettah Board is that derived (formerly from Govern-
ment) from the Mohturfa, a tax which falls
directly and only on the "laboring" industrial classes such
as weavers and other artizans. i the exclusion of certain

caste viz^t. Brahmins. Mooplemens &c^a. who being formerly the governing classes appear to have taken advantage of the same to exempt themselves from all taxation. It is only recently that a house assessment at mere nominal rates has been imposed upon them, they enjoy equivalent benefits, are more wealthy than, and may be said to live upon their poorer tax paying artisan brethren, we beg to observe that a Mohatarfa which falls with such undue severity on the "hees" of the community has been abolished years ago in the adjoining Madras Districts and is excluded from the modern category of recognized taxation. A well considered license tax levied in proportion to the estimated income of each slab rather than to the severity of the artizans struggle for his bread would, however it may be opposed by the present non-paying classes, be palpably a more equable impost, its incidence being more widely and fairly distributed while obviously its financial aspect would be more favorable to the Boards.

15. The levy of the houses tax also is susceptible of revision. It is now levied as a sort of Mohturfa, and on rather obscure principles, the highest rate being 12 Rupees per annum for houses rated at about six times that amount in the Cantonments, the larger number being exempt altogether on grounds the reasons of which are somewhat eccentric. There can be little doubt that the general result of assimilating the taxation in the Pettah to that of the Cantonment will largely increase the funds of the Pettah Boards and reaching the rich to a larger extent will diminish the severity of the burden of the few at present taxed to an undue extent.

16. In framing the above suggestions for the development of sources of revenue we have confined ourselves to such measures as are obviously identified with accepted modes of

assess

ideal tenets on legislation of self supporting municipalities.

17. We would now in obedience to instructions proceed to report on the desirability of limiting the Cantonment and Pettah Boards, which at present, through working in areas immediately adjacent to the Pettah limits being overlapped by those of the Cantonment / and with many interests in common are quite disconnected with each other and administered on different systems. We observe that Mr. Bowring was opposed to the complete amalgamation of the two Boards, nor do we think that such a radical change would be advisable. It has been suggested and with some force that such a measure might be injurious to the Pettah, as their representatives on an amalgamated Board would be in the minority and perhaps be unable to prevent the funds raised in their limits from being diverted to pay for improvements in the Cantonment. We are of opinion that taxation and general principles being assimilated, the Boards should be separate, each having undivided control over their own income, but both uniting under one and the same President, who being paid from the funds of both conjointly, would be identified with the interests of each individually. In proposing this we believe we have correctly rendered the modification in Mr. Bowrings views.

18. The Chief Commissioner has already recognized the necessity for appointing a President who can devote his whole time and attention to the engrossing duties connected with the Municipality / and which now amid other primary official business can receive at our hands only fitful and secondary attention even in matters demanding close and persistent personal application / the duties of a President of the two Boards will be very onerous

and

and responsible, the salary should therefore we think be such as will attract an officer of superior attainments and appreciable status and we respectfully venture to submit that for the attainment of this object, the Boards could jointly (in proportion of 2/3rds by Cantonment and 1/3rd by Petlad) afford to appropriate a suitable sum from the pay of their President. We are also of opinion that the President will require the assistance of paid executive members (who should similarly give their whole time and attention to Municipal duties) one for the Cantonment and one for the Petlad.

19. The two Boards, working under the same President and whose generals limits are comprised in a compact area could also, we think with advantage contribute conjointly to pay liberal salaries and thus secure at the heads of their Executive Departments Officers of professional and administrative ability this remark would apply to the Municipal Engineer who, with liberal allowances to afford the means of locomotion could supervise the works and establishments of both Boards, we think that Rupees 400 a month should secure the services of a qualified Officer. The same plan might perhaps hereafter be extended to the Superintendents of Roads, Conservancy and other Establishments where an experienced and responsible Chief would make his influence felt. We have in obedience to the instructions conveyed in the concluding portion of your letter under reply shewn in the accompanying statements the Estimated cost of these extra establishments including those to be shared conjointly, the rates being of course merely suggestive for the consideration of the Chief Commissioner and for protection of the statements.

× 4. of the heads of Establishments.

20. The statement marked A. I. exhibits the income and expenditure of the Cantonments Boards for the last year,

the former was Rupees 70544-9-10. of which the Government contribution amounted to no- less than 39828-11-7. the sum levied by taxation (house assessment) being only Rupees 25658-3-10. while only 12162-1-6. was derived from Municipal sources unconnected with taxation. The expenditure viz: Rupees 67242-2-3. will shew how disproportionate the present powers of taxation are to ordinary requirements.

21. The statement marked A II. exhibits that of the Pettah Board, their gross income Rupees 76510-14-3 after deducting the unusually large cash balance and collections of arrears which amounted to Rupees 25797-1-11. was only Rupees 48793-2-4- of which (as per items Nos 1. 4 5. 6 and 13) no less than 39828-14-7. was derived from different contributions by Government in the shape of Mohatufa, Octroi and grants for repairs of roads, and Rupees 1546 (heading No 12) from subscriptions for a particular purpose. This shews the income derived from Municipal collections to be only Rupees 7418-13-9. against an expenditure of Rupees 56160-7-8.

22. The statement marked B II which is that of income and expenditure of Cantonment Boards for the present year shews that the income will reach the sum of Rupees 87402-7-7- an increase nearly Rupees 15000. This however is made up of an excess of nearly Rupees 3000 in the cash balance and an increase of about 7700 Rupees in the amount of Octroi and Government contribution to roads while the sums derivable from Municipal sources unconnected with taxation exceed those of the past year by about Rupees 2800.

23. In the comparative statement marked B II of the two 1/2 years of the current year contrasted with each other, the estimate for the second half year shews the large increase of nearly Rupees 26000 based on the increased amount anticipated by the farming of Octroi collections with receipts of liquor licences and land assessment to be handed

over

over. If the estimate of the first named item be deemed exaggerated it may yet be remembered that no account has been taken as no estimate can be made of the large sums that would accrue from the future development of ordinary sources of municipal taxation adverted to in this letter and which if sanctioned would place the Boards in a position independent of aid from the Government. We have in this statement debited the boards for the charge of Police at the rate of a moiety of the gross cost on assimilation to the quota chargeable to the municipal institutions of the Madras Presidency as laid down in the most recent Act, the charge to be borne under this heads for the 1st year amounts to Rupees 11296 that for establishments to supervise collections of Octroi and Lands Assessment &c. amounts to Rupees 1800 while the extra establishment proposed is set down at Rupees 5560 for the half year as per details shewn.

24. The comparative statement marked B. III shews that exclusive of the cash balance the income of the Pettah Boards for the first half of the current year will amount to Rupees 24366 of which only Rupees 3712 (viz: sum of items 1. 3. and 6) is derived from Municipal sources the balance being Government contributions). That of the 2d half year is shewn at Rupees 34766, made up of the increase anticipated from Octroi and the transfer of liquor licences. In the ordinary expenditure, which amounts for the 2d half year to Rupees 26064 (plus Rupees 3760 for cost of extra establishment) the whole cost of Police has in conformity with existing orders been debited to the Boards. We earnestly trust that this excessive charge may be favorably reconsidered and permitted to the extent of a moiety which as already shewn is the quota usually allotted to be paid by municipalities.

25. Similarly in regards to the revenues of this Board we have every reason to believe that if our anticipations in regards to the increase likely to accrue from the farming of

of the Octroi be deemed to sanction the assimilation of taxation with that of the Cantonments and development of sources of ordinary municipal taxation adverted to in this letter will if sanctioned place its finances in a sufficiently flourishing condition to enable it to meet increased expenditure without the aid of Government, and defray the whole cost of its administration.

We have &c.

Signed E. D Sompeyrac
President Cantts Mun: Board.

Signed Cumming.
Depy. Supt & President Cuttack Mun: Board.

Para 17 to 19 Deputto Govt. F. D. with
No. 1126 dt 10 Nov 70.
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